

A circular graphic with a blue background. It contains the text "Quality" with an upward arrow, "\$ Costs" with a downward arrow, and "= Value".

Quality
\$ Costs
= Value

*Payment
Redesign*

Testing payment models: Accountable Care Program for Washington State Public Employees in 2016

The Health Care Authority (HCA) is testing four new payment models that are designed to reward achievement of the triple aim: better health, better care, and lower costs. We call this the “Paying for Value” strategy within the Healthier Washington initiative.

Healthier Washington is introducing four test payment models that focus on financial and quality accountability. HCA will pay providers based on value of care delivered, including patients’ satisfaction with their health care experience, and improved health outcomes, moving away from the traditional fee-for-service approach to health care in which providers are paid based on the number of services provided rather than on quality.

The Legislature supports the move to value-based contracting. [House Bill 2572](#), which passed in 2014, requires HCA to increase value-based contracting and other payment incentives that promote quality, efficiency, cost savings, and health improvement. As the purchaser for nearly 2 million public employees and Apple Health (Medicaid) clients, HCA will lead change in the market by accelerating the use of value-based reimbursement in both Apple Health and the Public Employees Benefits Board (PEBB) Program.

The **Accountable Care Program (ACP)** is one payment model available as a health plan choice to PEBB members in the Puget Sound region starting in January 2016. The plan is to offer ACPs statewide in 2017.

An ACP is a formal network of providers and health systems that:

- Provides ‘best in class’ patient service and experience – access to high-quality and timely service at lower costs,
- Delivers integrated physical, mental health and substance abuse services,
- Assumes financial and clinical accountability for a defined population of PEBB members.

The ACPs for public employees in 2016 are:

- UW Medicine Accountable Care Network (led by UW Medicine (Seattle) and including Capital Medical Center; Cascade Valley Hospital & Clinics; MultiCare Connected Care; Overlake Medical Center; Seattle Cancer Care Alliance; Seattle Children’s Hospital; and Skagit Regional Health); and
- Puget Sound High Value Network LLC (led by Virginia Mason Medical Center and including EvergreenHealth Partners and Hospital, MultiCare Connected Care, Overlake Medical Center; Seattle Cancer Care Alliance; Seattle Children’s Hospital; and Skagit Regional Health).

Regence BlueShield, the current third-party administrator (TPA) of the PEBB Uniform Medical Plan (UMP), will perform claims administration and preauthorization services for both ACPs.

How PEBB Program ACPs work

HCA will hold ACPs to measureable standards for both cost and quality over multiple years.

The ACP contracts are made up of four major health transformation components:

1. Coordinating and standardizing care: Improving outcomes and lowering costs (care transformation)
2. Member access and experience
3. Integrated financial and quality improvement model
4. Timely, relevant, and actionable data to help providers manage PEBB members and keep them healthy

The ACP contracts are also tied to a number of Healthier Washington projects, such as participation in pilots for using tools to assist clients and providers in shared decision-making.

How will ACPs drive delivery system changes?

ACPs are accountable for managing all aspects of ACP members' care. In addition to holding ACPs accountable for quality (through the quality improvement model), HCA has contracted with the ACPs to implement and report their progress of various evidence-based, care transformation strategies:

- Invest in infrastructure to advance primary care medical home (PCHM) standards across all ACP partners (as defined by 2011 National Committee for Quality Assurance (NCQA) PCHM Level III standards or equivalent).
- Adopt clinical policies of HCA and coverage decisions of the Washington State Technology Clinical Committee.
- Adopt certified health information technology infrastructure, including electronic health records, and participate in the Washington State Health Information Exchange.
- Develop quality improvement plans that include implementation of Bree Collaborative* recommendations across all partners for various high cost, high utilization, and high-variation procedures:
 - Care coordination for high-risk members
 - Potentially avoidable hospital readmissions
 - Obstetrics
 - Total knee and total hip replacement surgery bundle
 - Spinal fusion bundle
 - Cardiology
 - Low back pain
 - End of life care
 - Addiction and substance dependence treatment
- Participate in shared-decision making pilots and Accountable Communities of Health, which are both Healthier Washington initiatives.
- Participate in the Cardiac, Obstetrics and Low Back Pain Quality Improvement programs of the Foundation for Health Care Quality, a trusted, independent organization based in Seattle.

*The Bree Collaborative is a group of public and private health care stakeholders appointed by the governor to find ways to identify and promote strategies that improve patient health outcomes, health care service quality, and the affordability of health care.

How will the PEBB member experience be different under the ACPs?

The ACPs are responsible for providing a high-quality member experience. ACP members will have timely and convenient access to both primary care and specialty providers, as well as expanded service hours for primary care, urgent care, and 24/7 consulting nurse and tele-urgent care services. The ACPs will provide enhanced communications to members, including ACP-specific websites, dedicated contact centers for scheduling, prescription fills, and additional support services, and proactive member engagement through printed and electronic materials.

What are the ACPs doing to enhance member experience?

The ACPs are risk-based contracts; HCA and the ACPs are “sharing” risk. In other words, within set parameters there are potential financial consequences to both HCA and the ACPs if financial, quality, and member experience targets are not met. Each ACP has agreed to annual targets for financial trend guarantees. If the ACP exceeds its trend guarantee target – resulting in more savings than the target would have created – HCA will pay the ACP a share of the savings. If the ACP does not achieve its trend guarantee target – resulting in less savings than the target would have created – the ACP will pay HCA a share of the deficit. The ACP portion of the savings (or deficits) is then determined by a reconciliation of (1) the trend guarantee, (2) the Quality Improvement Model (see below) and (3) the member experience performance (described above).

HCA developed its own Quality Improvement (QI) Model. The QI Model measures the quality of health care services that an ACP provides to PEBB members in its system and generates an overall QI Score based on the weighted average of different quality measures. The overall QI Score drives the share of savings and deficit payments or reduction of deficit between the HCA and the ACP. The QI Score will be used to determine the percentage of the savings or deficit payments, up to an agreed amount.

The 19 quality measures used in the QI Model are a subset of measures from the Washington Statewide Common Measure set in the following five categories:

- Chronic conditions
- Behavioral health management
- PEBB member experience
- Medical screenings and immunizations
- Obstetrical care

Each of the 19 measures is based on a scale of 0 to 100 percent and is assigned a:

Weight – the degree of influence the measure has on the overall QI Score;

Mean score – the average percentage for each measure that is informed by the Washington Health Alliance’s Community Checkup, the National Committee on Quality Assurance targets, and other national data sources; and

Target score – the performance that the ACP should achieve on each measure, also informed by national benchmarks and the data sources cited above.

The QI Score for each measure is a blended score of the ACP improvement performance and movement toward achieving the target score.

What type of data will HCA provide to assist ACPs with managing the health of PEBB members?

The ACPs will receive data on PEBB member health care and services received within and outside the ACPs. The ACPs need timely data to successfully manage PEBB members' health. Timely, accurate, and actionable data on the population they are managing is essential and allows the ACPs to take on financial risk and accountability for the population. The TPA of UMP, UMP pharmacy vendor, and HCA's wellness vendor will send frequent data feeds through a hired data intermediary to ACPs. Data will be shared using secure file transfer protocols. To receive data, ACPs have signed a business associate agreement and a data sharing agreement that includes limited use and access, specific terms of disclosure and data confidentiality restrictions.

Learn more about paying for value online: www.hca.wa.gov/hw/Pages/paying_for_value.aspx

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